



City of Tigard



Parks and Recreation Charge

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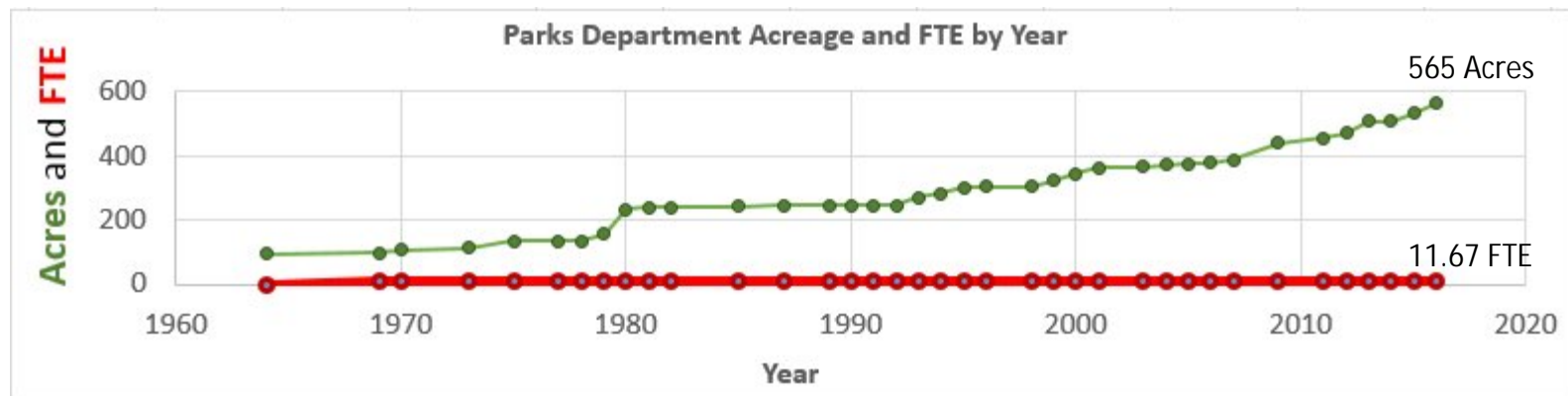


Presentation Outline

- ◆ Project purpose
- ◆ Parks utility fee surveys
- ◆ Parks and Recreation Charge (PARC) modeling scenarios
- ◆ Potential issues
- ◆ Project timeline

Purpose

- ◆ To identify a reliable source of revenue for parks ongoing operations and maintenance (O&M)
- ◆ Reasons for a PARC
 - Maintenance gets more expensive the longer it is deferred.
 - Other financing mechanisms (e.g., system development charges) help construct capital assets, not maintain them.
 - Expenditures increasing each year, the main source of funding for maintenance (General fund) is a limited resource with many demands.
 - Tigard's Park Bond expanded park land by 30%. Currently there is not a means to develop and maintain the additional parks.





Parks Utility Fee Survey

	Medford	Talent	West Linn	Gresham
Fee Name	Park Utility Fee	Park Utility Fee	Parks Maintenance Fee	Police, Fire, and Parks Fee
Date Adopted	Summer, 2005	Summer, 2007	Summer, 2007	Fall, 2012
Cost Basis of Charge	Parks O&M and debt service on major parks project.	Parks O&M and recreational programs.	Parks O&M and debt service.	General parks expenditures.
Monthly Charge	\$2.95 per ERU (ERU = one residential unit or one business occupant).	\$3.00 per ERU (ERU = one residential unit or 10 employees).	\$13.01 per SFD and \$12.35 per MF unit (residential-only charge).	\$7.50 per unit flat rate; residential and non-residential (approx. \$0.38 to parks).
Revenue Generated for Parks	\$2,605,000 in 2015-17 biennium (\$1.3 million per year)	\$108,000 in FY 2015-16	\$3,153,000 in 2015-17 biennium (\$1.6 M per year)	Approx. \$185,000 in FY 2015-16 earmarked for parks



Parks Utility Fee Survey (cont.)

	Medford	Talent	West Linn	Gresham
Low-Income Discount	There is no low-income program.	There is no low-income program (City works with United Way and other non-profits).	A low-income discount is available, reducing the fee by one-half the regular rate.	A low-income discount assistance program is also available.
Vacancy Adjustments	Vacancy reductions only for commercial businesses.	No vacancy adjustments.	Multifamily vacancy adjustment based on citywide vacancy rate.	Multifamily accounts get a discount based on average vacancy rate in area.
Escalation	Can escalate per consumer price index for Portland, OR MSA annually.	No escalation considered.	Cannot exceed 5 percent annual adjustment.	No escalation considered.



PARC Models & Scenarios

Study several cost scenarios

- ◆ Current parks maintenance
- ◆ Deferred parks maintenance
- ◆ Identified capital improvement projects
- ◆ Development of current parks land inventory
- ◆ Development and Maintenance of new parks
- ◆ Introduction of a recreational program
- ◆ Inclusion of special community assets
- ◆ Existing revenue sources to offset expenses



Issues

- ◆ Basis of Charge
 - Determine which costs to include
- ◆ Cost Allocation Techniques
 - Charge to residential, non-residential, etc.
 - Charge by service unit, flat rate, park proximity, etc.
- ◆ New expenses incurred to operate and maintain parks utility
 - Billing, administration, collections, etc.
- ◆ Future debt repayment and reserves
 - PARC as funding source for debt repayment
- ◆ Fiscal policies
 - O&M reserve requirement, etc.



Timeline

Schedule

Task 1: Data Collection & Issues Analysis

- 1.1 Data request and Project Initiation Mtg. (1)
- 1.2 NW Parks Utility Fee Survey
- 1.3 Parks Utility Fee Issues Analysis

Task 2: Model Development & Operational Forecast

- 2.1 - 2.9 Model Assumptions / Operational Forecast
- City Council Workshop (10/20)

Task 3: Allocation Recommendations & Fee Model

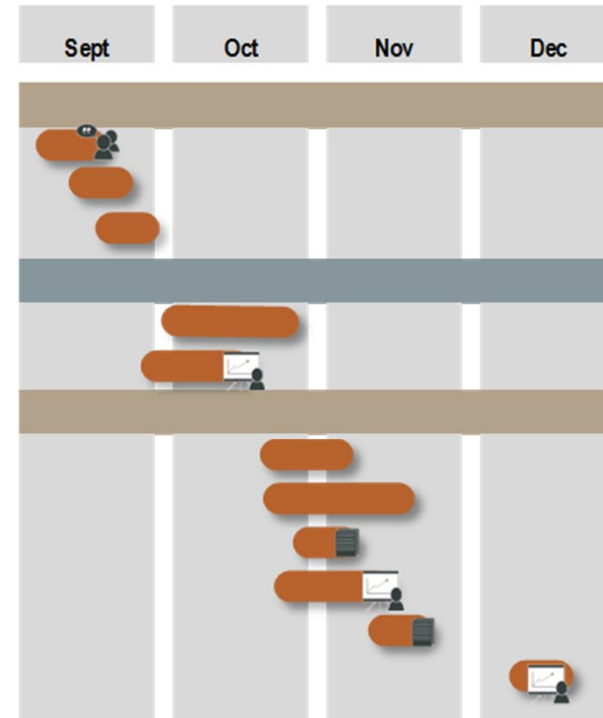
- 3.1 Rate Design Recommendation
- 3.2 Prepare Fee Model
- 3.3 Prepare Rate Study Report Draft (11/3)
- City Council Workshop (11/17)
- 3.3 Prepare Rate Study Report Final (11/23)
- Public Hearing

KEY:

Meeting

Presentation

Draft and Final Report



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